

EXECUTIVE SECRETARIAT

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D/Executive Secretary
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3637 (10-81)

ORRIN G. HATCH
UTAH

125 RUSSELL SENATE OFFICE BUILDING
TELEPHONE: (202) 224-5251

HATCH HOT LINE 1-800-652-4300
(UTAH TOLL FREE)

United States Senate
WASHINGTON, D.C. 20510

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10 MAR 1983

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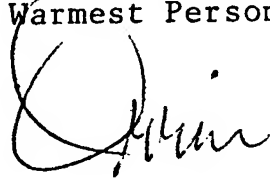
DEXA 83-0558

The Honorable William Casey, Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Bill:

I would appreciate your advice on the accuracy of Jack Anderson's December 14 column in The Washington Post entitled "Lack of Funds is Hampering U.S. Intelligence." I hope you will remember my offers to you to assist in whatever increases in the C.I.A intelligence collection budget that you believe may be necessary this year. The leak to Jack Anderson is extremely damaging, it appears to me, but perhaps it will galvanize additional support if you need it for this budget year.

Warmest Personal Regards,



Orrin G. Hatch
United States Senator

OGH:mpa

enclosure



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Week of Funds Hampering S. Intelligence

In the tricky business of espionage, the United States has, or could have, an enormous advantage over the Soviet Union: our superior technology.

The intelligence-collecting devices we have positioned around the world and in space are far ahead of anything the Soviets have in that line.

But U.S. intelligence gathering has been falling behind the Soviets' for one simple, inexcusable reason: lack of funds.

The result of this false economy of recent administrations, particularly the Jimmy Carter White House, is that our intelligence agencies may be effectively blind in a few areas, groping helplessly for information on Soviet military activity.

The degrading of our intelligence technology is a shocking problem that needs to be talked about.

At a time when hundreds of billions are being spent on military hardware, some of it of dubious value, it makes no sense to pinch pennies on the technological "eyes" that could tell our leaders where these new weapons can best be

Yet it is precisely the fact that technical gathering of vital intelligence is conducted in secret that has put the programs in jeopardy. It's always easier to cut budgets in areas the public can't see.

In fairness, it should be pointed out that the Reagan administration has increased spending for technical intelligence. But some CIA sources argue that it's still not enough.

A top-secret review by a CIA oversight group issues this grave warning about one sophisticated information-collection system: "The failure of a single launch in the early to mid-1980s could negate all of our capability for [that system] for a protracted period of time."

As for the space shuttle, from which some spy satellites are launched, the report added that "a failure of the space shuttle could be disastrous for the entire technical intelligence collection effort."

Who's to blame? The review says the collection systems were "grossly underfunded during the Carter years as continuation of budget cuts initiated during the Ford administration."

Until the CIA's budget increase under President Reagan, the agency was spending only about \$1 billion a year on technical collection, an amount the document describes simply as "not adequate."

In 1977, President Carter halted production of the best satellite system for high-resolution (that is, ex-

remely sharp) photo reconnaissance, and only a few such satellites remain in inventory. In another area, too sensitive to detail here, Carter economies left the CIA able to make only one launch per year through 1984. The result will be a five- to six-month interval when the United States will be blind.

Only two high-altitude telemetry satellites, which pick up Soviet communications, are in operation, and "both are dying," the oversight review warns.

An improved version of a fourth spy-satellite system is being prepared for a 1985 launch, but the CIA study warns: "Any problem in the space shuttle could prevent the launch of the improved system on schedule, and since there is no backup whatsoever, the United States could be completely blinded with no overhead photoreconnaissance capability at all in the mid-1980s."

The report, a copy of which was obtained by my associate Dale Van Atta, emphasized that "all satellites in the new system must work or the United States will be blind."

Noting that "ground and sea collection stations are grossly inadequate" as well, the report concludes that the only way to "catch up for losses" in our intelligence-collection arsenal from 1975 to 1980 is an annual increase of \$1.5 billion for the program through 1985. Some of the report's recommendations are now being acted on, I am told.